

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JEFF PATTISON**, on January 10, 2003 at 8 A.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Rep. Jeff Pattison, Chairman (R)
Sen. Bill Tash, Vice Chairman (R)
Sen. Edward Butcher (R)
Rep. John Musgrove (D)
Sen. Linda Nelson (D)
Rep. Rick Ripley (R)

Members Excused: Sen. Debbie Shea (D) after 9:00am

Members Absent: None.

Staff Present: Elaine Olsen, Committee Secretary
Doug Schmitz, OBPP
Todd Younkin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. The tape stamp for these minutes appears at the beginning of the content to which they refer.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None

Executive action: Department of Livestock Budget

{Tape: 1; Side: A; Approx. Time Counter: 1 - 18}

Todd Younkin, Legislative Fiscal Division (LFD), outlined the new base minimum for the Department of Livestock (DOL), indicating that if the committee approved the executive budget as a whole, the DOL appropriation would be under the new base minimum.

Doug Schmitz, Office of Budget Program and Planning (OBPP), discussed how the budget numbers had been derived and the possible effects of other legislative action on the DOL budget.

REP. RIPLEY asked why the committee would have to approve a program funded totally with federal monies. **Todd Younkin** stated that the departments needs the legislative authority to spend the federal funds.

CHAIRMAN PATTISON asked what would result if the legislature did not allow the expenditures of the federal funds. **Todd Younkin** stated that the agency could submit a budget amendment to the executive branch. The amendment is then reported to the Legislative Finance Committee who can comment on the expenditure.

SEN. BUTCHER commented that the state does have the right to say no to federal money. **Doug Schmitz** commented that if the legislature should not approve any one of the federal grants, that money cannot be spent. No budget amendment can be approved.

SEN. NELSON asked if no egg program existed, if that would create savings for the state. **Todd Younkin** replied that no savings would be created if the egg program was not funded.

{Tape: 1; Side: A; Approx. Time Counter: 18 - 30}

Marc Bridges, Department of Livestock (DOL), stated that egg producers cannot ship their product if the eggs are not inspected. **CHAIRMAN PATTISON** asked if a fee could be applied to egg producers if the federal monies were not available. **Doug Schmitz** stated that the federal monies were the only ones that can be budget amended in.

SEN. BUTCHER asked if eggs were marketed strictly in the state, would they have to be inspected. **Marc Bridges** stated that public health issues also demand inspection.

CHAIRMAN PATTISON stated that before taking executive action, the committee needed to address starting the budget actions at the year 2000 base.

Motion/Vote: SEN. NELSON moved TO BEGIN DOL BUDGET AT THE EXECUTIVE BUDGET ADJUSTED BASE LEVEL DO PASS. Motion carried 7-0. Voice vote.

Motion/Vote: SEN. SHEA moved to APPROVE DOL DP6 DO PASS. Motion carried 7-0. Voice vote.

{Tape: 1; Side: b; Approx. Time Counter: 1 - 10}

Motion/Vote: SEN. NELSON moved to APPROVE DOL DP11 DO PASS. Motion carried 6-1 with REP. PATTISON voting no. Voice vote.

Motion/Vote: SEN. BUTCHER moved to APPROVE DOL DP12 DO PASS. Motion carried 7-0. Voice vote.

Discussion:

SEN. SHEA asked if continued certification was required and necessitated the out of state travel. George Harris stated some of the travel is for recertification while some is for attendance at meetings for the state veterinarian and other officials.

Motion/Vote: SEN. SHEA moved to APPROVE DOL DP13 DO PASS. Motion carried 7-0. Voice vote.

Discussion:

Doug Schmitz stated the Board of Horse Racing has had to relocate into the old Federal Building. CHAIRMAN PATTISON inquired about the size of the office and asked if other, more convenient space might be available. Sam Murfitt, Board of Horse Racing, offered he would be willing to relocate to any affordable space.

{Tape: 1; Side: B; Approx. Time Counter: 10 - 12}

Motion/Vote: REP. RIPLEY moved to APPROVE DOL DP18 DO PASS. Motion carried 5-2 with REP. MUSGROVE and CHAIRMAN PATTISON voting no. Voice vote.

SEN. SHEA excused. SEN. NELSON voting proxy.

Motion/Vote: SEN. BUTCHER moved to APPROVE DOL DP19 DO PASS. Motion carried 6-1 with REP. MUSGROVE voting no. Voice vote.

{Tape: 1; Side: B; Approx. Time Counter: 12 - 17}

Discussion:

Doug Schmitz commented on the decision package(DP) containing the recharges for Montana State University (MSU). Historically rent charges have been uncertain. **George Harris** stated he has a firm commitment from MSU that the rent level will not change.

REP. MUSGROVE asked about the surcharges at MSU. **Bob Lee, Board of Livestock**, stated they have addressed the fluctuations in the recharges with the university. Mr. Lee said, "I think we got their attention."

{Tape: 1; Side: B; Approx. Time Counter: 17 - 24}

CHAIRMAN PATTISON inquired why the Diagnostic Laboratory is situated in Bozeman. **Marc Bridges** stated the central location and the availability of other services make it convenient. **George Harris** stated the recharges come from MSU facility services. **Marc Bridges** reported the DOL built the structure in 1972 and that having the molecular biology lab nearby is convenient. Charges for services are amortized. The lab does not pay rent.

Motion/Vote: **SEN. NELSON** moved that **APPROVE DOL DP4 DO PASS.**
Motion carried 7-0. Voice vote.

{Tape: 1; Side: B; Approx. Time Counter: 24 - 30}

Motion/Vote: **SEN. NELSON** moved that **APPROVE DOL DP15 DO PASS.**
Motion carried 7-0. Voice vote.

Discussion:

Todd Younkin read the additional language he had been asked to prepare before the approval of DP1. "The Department shall report to the 2005 Legislature's Joint Appropriations Sub Committee on Natural Resource and Commerce, in a format to be determined by the Department, on issues involved with brucellosis management within the State of Montana including but not limited to: bison and elk populations within Yellowstone National Park, bison removal activities undertaken by the Department in fiscal 2004 and fiscal year 2005, expenditures within the Department for brucellosis management and the status of federal activities and funding continuity." **SEN. NELSON** commented that the word "brief summary" should be added to the format. **CHAIRMAN PATTISON** stated that it is the intent of this subcommittees to continue to draw attention to the brucellosis issue.

Motion/Vote: SEN. NELSON moved to APPROVE DOL DP1 WITH THE ADDITIONAL LANGUAGE DO PASS. Motion carried 7-0. Voice vote.

Motion/Vote: SEN. NELSON moved to APPROVE DOL DP3 DO PASS. Motion carried 7-0. Voice vote.

Motion/Vote: SEN. NELSON moved to APPROVE DOL DP8 DO PASS. Motion carried 7-0. Voice vote.

Motion/Vote: SEN. TASH moved to APPROVE DOL DP20 DO PASS. Motion carried 7-0. Voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 1 - 4}

Discussion:

REP. RIPLEY asked about the vehicle replacement schedule. **George Harris** stated the replacement schedule has been increased from 100,000 miles to 125,000 miles.

SEN. BUTCHER asked if it is more cost effective to own the vehicles rather than lease them from the motor pool. **George Harris** said it is more cost effective to own the vehicles.

{Tape: 2; Side: A; Approx. Time Counter: 4 - 8}

Motion/Vote: SEN. NELSON moved to approve DOL DP9 DO PASS. Motion carried 7-0. Voice vote.

Discussion:

George Harris stated the out of state travel is for required certification training for sanitarian. Training is usually held in the west or northwest. Certification is needed every two years. Classes usually run a week.

Motion/Vote: SEN. NELSON moved to approve DOL DP21 DO PASS. Motion carried 6-1 with CHAIRMAN PATTISON voting no. Voice vote

{Tape: 2; Side: A; Approx. Time Counter: 8 - 14}

Motion/Vote: SEN. BUTCHER moved to approve DOL DP10 DO PASS. Motion failed 3-4 with SEN. BUTCHER, REP. MUSGROVE and SEN. TASH voting aye. Voice vote.

Discussion:

Todd Younkin discussed replacing of federal special revenue with industry supported State Special Revenue. **CHAIRMAN PATTISON** stated it was his understanding that the department would impose industry fees to replace the funding.

{Tape: 2; Side: A; Approx. Time Counter: 14 - 22}

George Harris stated the department did need the spending authority for the additional \$7,000 of federal funding of the Shell Egg Inspection program for 2004-2005.

SEN. BUTCHER asked if the federal government was requiring the department to participate in the hazardous analysis critical control point program. **Carol Ohlmsted, DOL**, stated that the program--a sanitation and food safety program--was funded by the United State Department of Agriculture (USDA). The USDA is willing to pay for the training of the inspectors. The program looks at point specific hazards.

Dr. Gertonson, State Veterinarian, said the program is intended to train inspectors to identify point source contamination.

{Tape: 2; Side: A; Approx. Time Counter: 22 - 27}

Motion/Vote: **REP. MUSGROVE** moved **TO RECONSIDER THE DISAPPROVAL OF DP10 DO PASS**. Motion carried 5-2 with **CHAIRMAN PATTISON** and **REP. RIPLEY** voting no. Voice vote

Motion/Vote: **SEN. BUTCHER** moved **TO APPROVE DOL DP10 DO PASS**. Motion carried 5-2 with **CHAIRMAN PATTISON** and **REP. RIPLEY** voting no. Voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 28 - 30}

Motion/Vote: **REP. RIPLEY** moved **TO APPROVE DOL DP7 DO PASS**. Motion carried 7-0. Voice vote

Discussion:

SEN. BUTCHER asked the purpose for out of state travel for brand inspectors. **George Harris** replied the inspectors traveled for association meetings. **Marc Bridges** stated the purpose of the association was to help in livestock inspection and provide continuity in inspection programs across the western states.

Jack Wiseman, Administrator of the Brands Inspection Division, DOL, stated the meetings result in inspectors getting to know inspectors in other states. This can help with investigations that involve other states. New programs of identification and enforcement are shared.

{Tape: 2; Side: B; Approx. Time Counter: 1 - 4}

SEN TASH commented that many livestock producers transport cattle interstate. **Doug Schmitz** told the committee the DP was a State Special Revenue decision, and that the entire program was federally funded.

{Tape: 2; Side: B; Approx. Time Counter: 4 - 6}

Motion/Vote: **REP. MUSGROVE** moved **TO APPROVE DOL DP22 DO PASS**.
Motion carried 6-1 with SEN. BUTCHER voting no. Voice vote.

Motion/Vote: **REP. RIPLEY** moved **TO APPROVE DOL DP23 DO PASS**.
Motion carried 7-0. Voice vote.

{Tape: 2; Side: B; Approx. Time Counter: 6 - 8}

Discussion:

SEN. TASH asked the DOL if the match rate with the USDA had been explored. **Marc Bridges** stated the USDA stated that a 50/50 match is required and that special revenue funds cannot be used.

Motion/Vote: **SEN. NELSON** moved **TO APPROVE DOL DP5 DO PASS**.
Motion carried 7-0. Voice vote.

CHAIRMAN PATTISON thanked the DOL and the Board of Livestock for the good job they do. **Bob Lee, Board of Livestock**, thanked the committee and commended the department for the work they do.

Taryn Purdy, LFD, presented an informational program for the committee, explaining the current budget base and the impact of the legislative global action. **Chuck Swysgood, Governor's Budget Director**, discussed the impact of the payments on the Crow Tribal Agreement on the current base budget for Department of Natural Resources (DNRC).

CHAIRMAN PATTISON announced the committee would hear the RIT overview and begin the overview for DNRC on Monday, January 13.

ADJOURNMENT

Adjournment: 12 P.M.

REP. JEFF PATTISON, Chairman

ELAINE OLSEN, Secretary

JP/EO

EXHIBIT (jnh05aad)